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JOIS J. SCHIFFER Assistant Attorney General Environment and Natural Resources Division Ż Dec u5 1995 JAMES D.P. FARRELL 3 RICHARD W. WIEKING CLERK, U.C. DISTRICT COURT NORTHERN DISTRICTOR CALIFORNIA MARY F. EDGAR Attorneys CAKLAND United States Department of Justice Environment & Natural Resources Division U.S. Department of Justice P.O Box 7611 6 Washington, D.C. 20044 7 (202) 514-1197 (202) 514-2741 8 MICHAEL J. YAMAGUCHI RECEIVED 9 United States Attorney JAN 171996 CHARLES M. O'CONNOR 10 Assistant United States Attorney Office of Comptroller U.S. EPA Region 9 450 Golden Gate Avenue 11 San Francisco, CA 94102 (415) 556-0011 12 ATTORNEYS FOR PLAINTIFF AND 13 THIRD-PARTY DEFENDANT UNITED STATES 14 IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA 15 UNITED STATES OF AMERICA, 16 17 Plaintiff, Case No. C93-3824-SBA 18 v. 19 CARMELO C. CELESTRE, et al., 20 Defendants. 21 22 CONSENT DECREE 23 24 - 25 26 27

CONSENT DECREE

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- A. The United States of America ("United States"), on behalf of the Administrator of the United States Environmental Protection Agency ("EPA"), filed a Complaint in this matter on October 21, 1993, pursuant to Section 107(a) of the Comprehensive Environmental Response, Compensation, Liability Act of 1980, 42 U.S.C. § 9607(a), as amended ("CERCLA").
- B. The United States in its Complaint seeks reimbursement of response costs incurred by EPA and the Department of Justice for response actions in connection with the release or threatened release of hazardous substances from the Celtor Chemical Works Superfund Site in Humboldt County, California (the "Site").
- substances at or from the Site has caused the United States to incur response costs. On December 18, 1983, EPA completed a removal action which removed visibly contaminated material from the Site pursuant to an Initial Remedial Measure Alternative Selection memorandum dated October 4, 1983. On April 29, 1985, EPA released a Remedial Investigation Report regarding the Site, and, on June 28, 1985, EPA issued a Feasibility Study Report for public comment. Pursuant to the Record of Decision ("ROD") dated September 30, 1985, EPA conducted a remedial action at the Site. On September 29, 1989, EPA issued a Superfund Closeout Report documenting that remedial action activities had been completed in accordance with the ROD. On September 10, 1994, EPA conducted a

1 five-year review of the Site and issued a report. EPA is undertaking to delist the Site from the National Priorities List.

- Defendant Celestre answered the Compliant, denying the allegations contained therein and asserting various affirmative defenses, and has asserted a counterclaim for contribution against the United States Department of the Interior, Bureau Of Indian Affairs, pursuant to Section 113 of CERCLA, 42 U.S.C. \$ 9613.
- The Parties that have entered into this Consent Decree deny any and all liability arising out of the transactions or occurrences alleged in the Complaint or Counterclaim.
- The United States and the Settling Defendants agree and F. the Court by entering this Consent Decree finds, that settlement of this matter, in accordance with the terms of this Consent Decree will avoid the time and expense of prolonged and complicated litigation and that this Consent Decree is fair, reasonable, and in the public interest.

THEREFORE, with the consent of the parties to this Decree, it is ORDERED, ADJUDGED, AND DECREED:

JURISDICTION II.

This Court has jurisdiction over the subject matter 1. of this action pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 9613(b). This Court also has personal jurisdiction over the Settling Defendants. Solely for the purposes of this Consent Decree and the underlying Complaint, the Settling Defendants waive all objections and defenses that they may have to

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jurisdiction of the Court or to venue in this District and shall not challenge the entry of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

III. PARTIES BOUND

2. This Consent Decree is binding upon the United States and upon the Settling Defendants and their successors and assigns. Any change in ownership or corporate or other legal status, including, but not limited to, any transfer of assets or real or personal property, shall in no way alter the status or responsibilities of the Settling Defendants under this Consent Decree.

IV. DEFINITIONS

- 3. Unless otherwise expressly provided herein, terms used in this Consent Decree which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Consent Decree, the following definitions shall apply:
- a. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq.
- b. "Day" shall mean a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or Federal holiday, the period shall run until the close of business of the next working day.

- c. "EPA" shall mean the United States Environmental
 Protection Agency and any successor departments or agencies of
 the United States.
- d. "Interest," in accordance with 42 U.S.C. § 9607(a),
 shall mean interest at the rate specified for interest on
 investments of the Hazardous Substance Superfund established
 pursuant to the Internal Revenue Code, 26 U.S.C. § 9507.
- e. "Paragraph" shall mean a portion of this Consent Decree identified by an arabic numeral or an upper case letter.
- f. "Parties" shall mean the United States of America and the Settling Defendants.
 - g. "Plaintiff" shall mean the United States of America.
- h. "Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs including attorney time, that EPA and the United States Department of Justice on behalf of EPA have incurred for response actions at the Site prior to the date of entry of this Consent Decree, and accrued Interest on such costs through the date of entry of this Consent Decree.
- i. "Section" shall mean a portion of this Consent Decree identified by a Roman numeral.
- j. "Settling Defendants" shall mean Carmelo C. Celestre and Celtor Chemical Corporation (through Insurance Company of North America ("INA"), acting on behalf and in the name of Celtor Chemical Corporation).

CONSENT DECREE

- k. "Site" shall mean the Celtor Chemical Works Superfund Site, encompassing approximately 2.5 acres, located in Humboldt County, California.
- 1. "United States" means the United States of America and its departments and agencies, including the United States

 Environmental Protection Agency and the United States Department of the Interior.

V. REIMBURSEMENT OF RESPONSE COSTS

- Within 30 days of the effective date of this Consent Decree, the Settling Defendants shall pay \$415,000.00 to the United States by Electronic Funds Transfer ("EFT") to the United States Department of Justice lockbox bank, referencing CERCLA Site Number 09-63 and the United States Attorney's Office file number 8903205. Payment shall be made in accordance with instructions provided by Plaintiff to the Settling Defendants upon execution of the Consent Decree. Any EFT received at the United States Department of Justice lockbox bank after 11:00 a.m. (Eastern Time) will be credited on the next business day.
- 5. Contribution by the United States. Within a reasonable time after entry of this Consent Decree, the United States, on behalf of the United States Department of the Interior, Bureau of Indian Affairs, shall cause to be transferred to the EPA Hazardous Substance Superfund a contribution of \$35,000.00, referencing CERCLA Site Number 9T28 and the United States Attorney's Office file number 9400521.

United States on behalf of the Department of the Interior, Bureau of Indian Affairs, is subject to the availability of appropriated funds. No provision of this decree shall be interpreted as or constitute a commitment or requirement that the United States obligate or pay funds in contravention of the Anti-Deficiency Act, 31 U.S.C. § 1341.

VI. FAILURE TO MAKE TIMELY PAYMENTS

- .7. Interest. In the event that payment required by Paragraph 4 is not made within 30 days of the effective date of this Consent Decree, Settling Defendants shall pay Interest on the unpaid balance and such Interest shall be compounded each fiscal year. The Interest on such unpaid balance shall begin to accrue on the 30th day after the effective date of this Consent Decree.
- 8. Stipulated Penalty. If any amounts due to the United States under this Consent Decree are not paid by the required date, the Settling Defendants shall pay as a stipulated penalty, in addition to the Interest required by Paragraph 7, \$500 per day that such payment is late. Stipulated penalties are due and payable within 30 days of the Settling Defendants' receipt from EPA of a demand for payment of the penalties. All payments under this Paragraph shall be paid by certified check made payable to "EPA Hazardous Substance Superfund," shall be mailed to the United States Environmental Protection Agency, Region 9, Superfund Accounting, P.O. Box 360863M, Pittsburgh, Pa.

1 15251, Attention: Collection Officer for Superfund, and shall reference CERCLA Site No. 9T28 and DOJ Case Number 90-11-3-1083. Copies of check[s] paid pursuant to this Paragraph, and any accompanying transmittal letter, shall be sent to the United States as provided in Section X (Notices and Submissions). Penalties shall accrue as provided above regardless of whether EPA has notified the Settling Defendants of the violation or made a demand for payment, but need only be paid upon demand.

- If the United States must bring an action to collect any payment required by this Consent Decree, the Settling Defendants shall reimburse the United States for all costs of such action, including, but not limited to, costs of attorney time.
- Payments made under Paragraphs 7-9 shall be in addition to any other remedies or sanctions available to the United States by virtue of Settling Defendants' failure to make timely payments required by this Consent Decree.

VII. COVENANT NOT TO SUE BY PLAINTIFF

Except as specifically provided in Paragraph 12, the United States covenants not to sue Settling Defendants under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), in any civil or administrative proceeding to recover Response Costs as defined in this Consent Decree. This covenant not to sue shall take effect upon the receipt by the United States of all payments required by Sections V and VI of this Consent Decree. This covenant not to

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- The covenant not to sue set forth in Paragraph 11 does not pertain to any matters other than those expressly specified therein. Except as specifically provided in Paragraph 11, nothing contained in this Consent Decree shall in any way limit or restrict the response and enforcement authority of the United States to initiate appropriate action, either judicial or administrative, under Sections 104, 105 and 107 of CERCLA, 42 U.S.C. §§ 9604, 9606, 9607, or any other provision of law, against Settling Defendants or any other person or entity not a party to this Consent Decree. The United States reserves, and this Consent Decree is without prejudice to, all rights against the Settling Defendants with respect to all matters other than those expressly specified in the covenant not to sue set forth in Paragraph 11 of this Section, including, but not limited to:
 - (1) claims based upon failure by Settling Defendants to meet any requirement of this Consent Decree:
 - claims for costs incurred or to be incurred by the the United States in connection with the Site that are not within the definition of Response Costs set forth in Section IV of this Consent Decree;
 - (3) claims for injunctive relief;
 - liability for damages for injury to, destruction (4) of, or loss of natural resources; and

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(5) criminal liability.

VIII. COVENANT BY SETTLING DEFENDANTS

Settling Defendants hereby covenant not to sue and agrees not to assert any claims or causes of action against the United States with respect to Response Costs or this Consent Decree, including, but not limited to, any direct or indirect claim for reimbursement from the Hazardous Substance Superfund (established pursuant to the Internal Revenue Code, 26 U.S.C. § 9507), under CERCLA Sections 106(b)(2), 107, 111, 112, or 113, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, 9613, or any other provision of law; any claim against the United States, including any department, agency, or instrumentality of the United States pursuant to CERCLA Sections 107 and 113, 42 U.S.C. §§ 9607 and 9613, related to Response Costs; or any claims arising out of response activities at the Site. Nothing in this Consent Decree shall be deemed to constitute preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

IX. EFFECT OF SETTLEMENT: CONTRIBUTION PROTECTION

14. Nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a party to this Consent Decree. Each of the Parties expressly reserves any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which each party may have with respect to any

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matter, transaction, or occurrence relating in any way to the Site against any person not a party hereto.

- 15. With regard to claims for contribution against Settling Defendants or the United States for matters addressed in this Consent Decree, the Parties hereto agree that the Settling Defendants and the United States are entitled to such protection from contribution actions or claims as is provided by CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2).
- suit or claim for contribution brought by them for matters related to this Consent Decree, they will notify the United States in writing no later than 60 days prior to the initiation of such suit or claim. Settling Defendants also agree that with respect to any suit or claim for contribution brought against them for matters related to this Consent Decree, they will notify in writing the United States within 10 days of service of the complaint on them. In addition, Settling Defendants shall notify the United States within 10 days of service or receipt of any Motion for Summary Judgment and within 10 days of receipt of any order from a court setting a case for trial for matters related to this Consent Decree.
- 17. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other appropriate relief relating to the Site, Settling Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of

waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenants not to sue set forth in Section 'VII (Covenant Not to Sue by Plaintiff).

X. NOTICES AND SUBMISSIONS

18. Whenever, under the terms of this Consent Decree, notice or demand is required to be given or a document is required to be sent by one party to another, it shall be directed by certified mail, return receipt requested, to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. All notices and submissions shall be considered effective upon receipt unless otherwise provided. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Consent Decree with respect to the United States and the Settling Defendants, respectively.

As to the United States:

Chief, Environmental Enforcement Section Environment and Natural Resources Division U.S. Department of Justice P.O. Box 7611 Ben Franklin Station Washington, D.C. 20044 Re: 90-11-3-1083

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As to EPA:

Kim Muratore U.S. EPA, Region IX (H-7-4) 75 Hawthorne Street San Francisco, California 94105

As to the Settling Defendants:

Kenneth E. Keller
Stephen Dye
Julie C. Grollmus
Bronson, Bronson & McKinnon
505 Montgomery Street
San Francisco, CA 94111-2514

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matter for the purpose of enforcing the terms of this Consent

Decree.

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XIII. SIGNATORIES/SERVICE

the date upon which this Consent Decree is entered by the Court.

EFFECTIVE DATE

RETENTION OF JURISDICTION

This Court shall retain jurisdiction of this

The effective date of this Consent Decree shall be

XI.

XII.

22. Each undersigned representative of the Settling
Defendants to this Consent Decree and the Assistant Attorney
General for the Environment and Natural Resources Division of the
United States Department of Justice certifies that he or she is
fully authorized to enter into the terms and conditions of this

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Consent Decree and to execute and legally bind such party to this document.

- 23. Settling Defendants shall identify, on the attached signature page, the name and address of an agent who is authorized to accept service of process by mail on behalf of that party with respect to all matters arising under or relating to this Consent Decree.
- 24. If, for any reason, this Court should decline to approve this Consent Decree in the form presented, this agreement is voidable at the sole discretion of any party and the terms of the agreement may not be used as evidence in any litigation between the Parties.

so ordered this 5th DAY of December , 1995.

CALLEGRA GLICAL ASSESSMENT

United States District Judge

CONSENT DECREE

1	matter of <u>United States v. C</u>	r into this Consent Decree in the armelo C. Celestre and Celtor own as MCB Systems, Inc., Civil
3	Action No. C-93-3824-SBA, re	lating to the Celtor Chemical
4		FOR THE UNITED STATES OF AMERICA
5	Date: ///22/11-	1 1 11 M
6	Date: /// / / / / / / / / / / / / / / / / /	LOIS J. SCHIFFER
7 8		Assistant Attorney General Environment and Natural Resources Division
9		U.S. Department of Justice Washington, D.C. 20530
10	244	Du 102 100
11	Date: 117195	JAMES D.P. FARRELL Attorney
12		Environmental Enforcement Section Environment and Natural Resources
13		Division U.S. Department of Justice
14		10th & Pennsylvania Avenue, N.W. Washington, DC 20530
16	Date: 11/27/95	Mary S. Edgu
17		MARY F. EDGAR Attorney
18		Environmental Defense Section Environment and Natural Resources
19		Division U.S. Department of Justice 10th & Pennsylvania Avenue, N.W.
20		Washington, D.C. 20530
21		MICHAEL J. YAMAGUCHI United States Attorney
22	Date: 11/3/195	Cill M. C. Com
24	Date.	CHARLES M. O'CONNOR Assistant United States Attorney
25	,	Northern District of California 450 Golden Gate Avenue
26		San Francisco, CA 94102
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1	Pate:			
	∦ .			ALD M. CLIEPORD
2			· Off	ector ice of Site Remediation and
			U.S	nforcement Environmental Protection Agency
4			401 Was	M Street, SW hington, DC 20460
5				
6	Date:	79/66/11		Mus Mains
. 7			Reg:	ional Administrator
8		·		ion IX . Environmental Protection Agency
9			75 1	Hawthorne Street Francisco, California
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- 1	Date:	11/22/95		$\lambda^{-} \cap k \rightarrow 0$.
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]				GERALD M. CLIFFORD	
2	1			Director Office of Site Remediation	
3	-		•	Enforcement U.S. Environmental Protection	Agency
4			•	401 M Street, SW Washington, DC 20460	-
5					
6	Date:	·		PELTOTA MARGIO	
7	·			FELICIA MARCUS Regional Administrator	
8				Region IX U.S. Environmental Protection	Agency
9				75 Hawtborne Street San Francisco, California	
10			. /		
11	Date: _				
12	•			DANITA YOCOM Assistant Regional Counsel	•
13				Region IX U.S. Environmental Protection	Agency
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3	Action No. C-93-3824-SBA, relating to the Celtor Chemical Superfund Site.
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. 5	FOR DEFENDANT CELESTRE
6	Date: 10/5/95 aims C. Clestre CARMELO C. CELESTRE
7	/ // 00
8	Date: 10/10/95 Con Cell
9	KENNETH É. KELLER STEPHEN DYE
10	JULIE C. GROLLMUS Bronson, Bronson & McKinnon
11	505 Montgomery Street
12	San Francisco, CA 94111-2514
13	
14	Agent Authorized to Accept Service on Behalf of Above-signed Party:
15	Agent for service of process: Kara Kara
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17	San Francesco (114)
18	- Jean Marie Con Charles Con C
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CONSENT DECREE

1 2 3	THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Carmelo C. Celestre and Celtor Chemical Corporation also known as MCB Systems. Ync.</u> , Civil Action No. C-93-3824-SBA, relating to the Celtor Chemical Superfund Site.
4	FOR DEFENDANT CELTOR
. 5	
6	Date: 10/11/95 1 Any B. Moulton
7	Celtof Chémical Corporation (through Insurance Company of North America, acting on behalf and in the name of
8	Celtor Chemical Corporation)
. 9	Approved as to form:
10	Date: 10 10 95 Jeffrey M Judd
11	for O Melveny & Myers 275 Battery Street
12	San Francisco, CA 94111-3305
13	Agent Authorized to Accept Service on Behalf of Above-signed
14	Party:
15	Agent for service of process: O'MELVENY & MYERS Martin S. Checov
16	Jeffrey M. Judd 275 Battery Street
17	San Francisco, CA 94111-3305
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PROOF OF SERVICE BY MAIL

I am a citizen of the United States and a resident of the Northern District of the State of California. I am over the age of eighteen years and not a party to the within above-entitled action; I am a secretary in the office of the United States Attorney for the Northern District of California; my business address is Room 105267, Federal Building, 450 Golden Gate Avenue, P.O. Box 36055, San Francisco, California 94102; and that on December 8, 1995 I served a copy of the hereunto annexed CONSENT DECREE on the following party by placing a true copy thereof in a sealed envelope with postage thereon fully prepaid, in the United States Postal Service mailbox at San Francisco, California, addressed as follows:

Ken Keller

BRONSON, BRONSON & McKINNON

505 Montgomery Street

San Francisco, CA 94111-2514

O'MELVENY & MYERS

Martin S. Checov

Jeffrey M. Judd

275 Battery Street

San Francisco, CA 94111-3305

I certify under penalty of perjury that the foregoing is true and correct.

Executed on December 8. 1995 at San Francisco, California.

JUDY BROCKMEYER

_,